REMARKS

The present amendment is responsive to the final Office Action mailed May 4, 2006.

Claims 1-3, 5-13, 15-17, 19-27, 29-31 and 33-41 were rejected under 35 U.S.C. §103(a) as being unpatentable over McArdle et al. Reconsideration and withdrawal of these rejections are respectfully requested.

The Examiner has omitted essential elements needed for a *Prima Facie* §103(a) rejection

According to the claimed embodiment, the lifecycle factor may be computed by multiplying the determined absolute value with a percentage measure growth of the selected measure over two selected historical periods. Therefore, the claims expressly call for a) the determined absolute value, b) the percentage measure growth and c) the product of a) and b) – all over two selected historical periods within the selected calculation period.

A. The Office Action acknowledges that the applied reference does not explicitly teach the claim limitations

The Office has acknowledged that McArdle et al. do not explicitly teach the claim limitation "*determining an absolute value of a difference of the selected measure and by multiplying the determined absolute value with a percentage measure growth of the selected measure*." For the 35 U.S.C. §103(a) rejection to stand, therefore, the McArdle et al. reference **must suggest** these claim limitations.

B. The Office improperly makes a backdoor Official Notice argument as sole support for the 35 U.S.C. §103(a) rejection

The Office states that "*It is old and well known* to take the absolute value of a difference or to take the percentage of a difference to acquire a quantitative understanding of the degree of the

difference." However, the Office has not formally taken Official Notice of such supposed "old and well known" knowledge. Moreover, the claims recite

> **causing the computer to compute a lifecycle factor for the individual customer, the lifecycle factor being computed by determining an absolute value of a difference of the selected measure and by multiplying the determined absolute value with a percentage measure growth of the selected measure, both the difference and the percentage measure growth being determined over two selected historical periods within the selected calculation period, and**

Not only do the claims recite taking the absolute value of the difference of the selected measure, but the claims require that this absolute value of the difference of the selected measure be multiplied by the percentage measure growth of the selected measure.

The Office acknowledges that McArdle et al. do not teach:

a) taking the absolute value of the difference of the selected measure;

b) multiplying this absolute value of the difference of the selected measure by the percentage measure growth of the selected measure.

To remedy this shortcoming of the only applied reference, the Office nevertheless asserts that it is "old and well known" to take the absolute value of a difference or to take the percentage of a difference to acquire a quantitative understanding of the degree of the difference. Nowhere has the Office even asserted that the claim recitation

> **...determining an absolute value of a difference of the selected measure and by multiplying the determined absolute value with a percentage measure growth of the selected measure...**

is old and well known or asserted Official Notice as to the step of multiplying the absolute value of a difference of the selected measure by a percentage measure growth of the selected measure, as the claims require. The Office improperly takes a pseudo Official Notice of two separate claim elements and then asserts, without any factual or legal basis, that it would have been obvious to multiply them together as claimed.

Failing some teaching or suggestion of the claimed steps of or a valid application of Official Notice, the presently applied 35 U.S.C. §103 rejection of the pending claims must be reconsidered and withdrawn. As the Examiner recalls, Official Notice must be based on facts outside of the record which are capable of instant and unquestionable demonstration as being "well-known" in the art." See MPEP §2144.03. However, even if the facts asserted by the Examiner as being well-known are indeed capable of "instant and unquestionable" demonstration as being well-known in the art, the facts in question must relate to the claimed invention, or the application of Official Notice itself to claimed invention is without utility and ineffective to support a 35 U.S.C. §103 rejection and fail to support a prima facie case of obviousness. Here, the Office has not taken Official Notice of the claim limitation in question, as such would not support the requisite "instant and unquestionable" demonstration required by the Patent Office's own guidelines.

C. The Office has mis-applied Official Notice and has then used such improper Office Notice to support the outstanding §103(a) rejection using hindsight reconstruction

It is respectfully submitted that the improper Official Notice argument was, in turn, improperly used to reconstruct applicant's claimed invention by hindsight. Indeed, it is respectfully submitted that this rejection is a hindsight reconstruction, using applicant's claim as a template to reconstruct the invention from an unsupported and incomplete assertion of Official Notice. This is impermissible under the law. For example, in In re Fritch, 972 F.2d 1260, 1266, 23 USPQ2d 1780, 1784 (Fed. Cir. 1992), the Federal Circuit stated:

> **It is impermissible to use the claimed invention as an instruction manual or "template" to piece together the teachings of the prior art so that the claimed invention is rendered obvious. In re Gorman, 933 F.2d 982, 987, 18 USPQ2d 1885, 1888 (Fed. Cir. 1991).**

In this case, not only are the elements that were used to reconstruct the claimed invention not present in the McArdle et al. patent (this much was acknowledged by the Office), but the Office has combined the two Official Notice assertions "*It is old and well known* to take the absolute value of a difference" and *It is old and well known* "to take the percentage of a difference" and used what is only present in the claimed invention (i.e., **multiplying** the two) as a guide to reconstruct the claimed invention, in support of the 35 U.S.C. §103(a) rejection. This is impermissible as a matter of law.

D. Examiner has not shown how McArdle would be modified to meet the claim limitations

The MPEP, the USPTO's own guidelines for examination of patent applications, at §706.02(j) Contents of a 35 U.S.C. §103 Rejection, lists four requirements for a §103 rejection, the third of which states that the Office should state "(C) the proposed modification of the applied reference(s) necessary to arrive at the claimed subject matter." The Office has not pointed to any modifications of McArdle et al. that would yield the claimed invention – as it should have in support of the §103(a) rejection.

Indeed, nowhere do McArdle et al. teach or suggest an absolute value of a difference of the selected measure determined over two selected historical periods within the selected calculation period, as required by the claims. In fact, no absolute value of any difference is taught or suggested in McArdle et al. – the phrase "absolute value" does not even appear in the patent. Moreover, nowhere do McArdle et al. teach or suggest a percentage measure growth of the selected measure determined over two selected historical periods within the selected calculation period, as also required by the claims – in fact this is acknowledged in outstanding Office Action. In fact, the term "growth" is wholly absent from this patent – and the growth of a customer over two selected

historical periods expressed as a percentage is also wholly untaught and unsuggested by this reference. In addition, McArdle et al. do not even mention the phrase "absolute value." Even in the face of such acknowledged deficiencies in the single applied reference, the Office has not presented any proposed modifications to McArdle et al. that would yield such values, as required by the Office's own guidelines and as memorialized in the MPEP.

Not only are the claim elements not present or suggested in McArdle, the Office's own "It is old and well known" arguments do not even assert that it is old and well known to multiply the two "old and well known" items. If such is the Office's contention, the applicant hereby requests that the Office produce documentary evidence that "determining an absolute value of a difference of the selected measure and by multiplying the determined absolute value with a percentage measure growth of the selected measure" is "old and well known." Failing the production of such documentary evidence (the "instant and unquestionable" demonstration required by the MPEP to be produced in response to a traversal of Official Notice), the 35 U.S.C. §103(a) rejection must be withdrawn. This is because there would then be no basis on which on the Office could assert that the McArdle et al. reference could be somehow modified to meet the claim limitations.

D. Clear Legal Error: Motivation not present in McArdle et al.

Section 706.02(j) of the MPEP, Contents of a 35 U.S.C. §103 Rejection, provides some guidance as to the Office's initial burden in formulating a §103(a) rejection:

> **The initial burden is on the examiner to provide some suggestion of the desirability of doing what the inventor has done. "To support the conclusion that the claimed invention is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed invention or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references." *Ex parte Clapp*, 227 USPQ 972, 973 (Bd. Pat. App. & Inter. 1985). See MPEP § 2144 - § 2144.09 for examples of reasoning supporting obviousness rejections.**

Again, the Office acknowledges that McArdle et al. do not disclose the claimed lifecycle factor and improperly asserts Official Notice. The McArdle et al. reference, therefore, cannot be said to "expressly or impliedly" suggest the claimed invention as required by MPEP 706.02(j). This leaves for the Examiner the duty to "present a convincing line of reasoning as to why the artisan would have found the claimed invention obvious in light of the teachings of the references." The Examiner's line of reasoning is that "1) It is old and well known to take the absolute value of difference, 2) It is old and well known to take the percentage difference to acquire a quantitative understanding of the degree of difference, and 3) it would have been obvious to multiply these two items because such a percentage would provide a business with a "quantitative measure" with which to characterize the customer. In other words, the Office's argument is that the artisan could, in some unspecified way, somehow compute the lifecycle factor because it would provide a "quantitative measure" to characterize the customer. This is semantically identical to the "better information" argument advanced in the Final Office Action mailed August 26, 2005, which argument was overcome in the successful Pre-Appeal Brief Request for Review filed January 26, 2006. It is respectfully submitted that this line of reasoning is still inadequate on its face.

Section 706.02(j) also states:

> **To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings.**

It is respectfully submitted that the requisite motivation is wholly absent from McArdle et al. Moreover, it is respectfully submitted that the Examiner has not carried his burden of proving the prima facie case through failure to present a convincing line of reasoning, and has not shown either how McArdle et al. could be modified to meet the claims or any motivation for doing so,

other than the improper and incomplete Official Notice arguments and the "provide a quantitative measure" argument advanced by the Office.

Each of the independent claims herein includes the aforementioned claim limitations and the arguments advanced herein above are equally applicable thereto. Reconsideration and withdrawal of the 35 U.S.C. §103(a) rejections are, therefore, respectfully requested.

Applicants' attorney, therefore, respectfully submits that all claims are allowable and that the present application in condition for an early allowance and passage to issue. If any unresolved issues remain, please contact the undersigned attorney of record at the telephone number indicated below.

Respectfully submitted,

Date: July 27, 2006 By: _____

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